

Message Text

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PAGE 01 CARACA 00607 171302Z

60

ACTION XMB-04

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /051 W

----- 022255

R 162228Z JAN 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1595

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PASS EXIMBANK ATTN MR JOHN MCDONNELL AND WILLIAM MORRIS

EO 11652 NA

TAGS: EAID, EFIN, XM

SUBJ: EVENT OF DEFAULT EXIMBANK CREDIT NO 3338

REF: STATE 298141

1. EMBASSY FINANCIAL OFFICER ON JAN 16 DISCUSSED WITH DR DELFIN PONCE LUGO, DIRECTOR OF PUBLIC CREDIT, THE NECESSITY OF THE EXIMBANK BEING REPAID RATABLE REPAYMENT ON LOAN TO IVP ALONG THE LINES OF REF. PONCE ACKNOWLEDGED RECEIPT OF EXIMBANK TELEGRAM OF NOV AND SAID GOV HAS MATTER UNDER CONSIDERATION. PONCE ADMITTED THAT REASON GOV PREPAID MANUFACTURERS HANOVER OVER YEAR AGO AND NOT PORTION TO EXIMBAK WAS BECAUSE FORMER PART OF LOAN HAD MUCH HIGHER INTEREST RATE THAN EXIMBANK.

2. PONCE SAID GOV PREPARED TO REPAY EXIMBANK IN TRANCHES THE FIRST AMOUNTING TO \$4 MILLION IN AUGUST 1976. EMBOFF REPLIED THAT HE WAS NOT IN A POSITON TO NEGOTIATE FOR THE EXIMBANK, BUT UNDERSTOOD THAT ACCORDING TO TERMS OF LOAN AGREEMENT, EITHER \$20,790,000 SHOULD BE PAID IMMEDIATELY TO EXIMBANKK FOR GOV OR THAT MANUFACTURERS HANOVER SHOULD TURN OVER HALF OF ITS REPAYMENT. PONCE SAID GOV WISHED TO NEGOTIATE THE

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PAGE 02 CARACA 00607 171302Z

MATTER WITH EXIMBANK AND WOULD SEND TELEX TO EXIMBANK

ACCORDINGLY.

3. COMMENT/ PREPAYMENT WAS MADE TO MANUFACTURERES HANOVER
AT TIME WHEN GOV WAS FLUSH WITH OIL REVENUE AND WISHED
TO REDUCE EXTERNAL DEBT, ESPECIALLY LOANS BEARING HIGH
INTEREST RATES. DUE TO DROP IN OIL REVENUE GOV HAS
INSTITUTED POLICY OF AUSTERITY AND IS SEEING EVERY
POSSIBLE WAY TO CONSERVE REVENUE. EMBASSY THEREFORE IS
NOT OPTIMISTIC THAT GOV WILL BE PREPARED
TO PREPAY ENTIRE EXIM PORTION OF LOAN.
SHLAUDEMAM

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NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOANS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760019-0066
From: CARACAS
Handling Restrictions: n/a
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Original Handling Restrictions: n/a
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Margaret P. Grafeld
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04 MAY 2006

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